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TAX CUTS: Who Benefits?

New Republic

ATOMIC RETALIATION

Is the Dulles Doctrine A Sensible Answer to Communist Aggression?

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Washington Wire T. R. B.

"Isn't it wonderful," asked the bright-eyed Nixon, replying on TV to Stevenson, "that finally we have a Secretary of State who isn't taken in by the Communists; who stands up to them!" This kind of GOP poison-pen stuff comes just before the momentous Geneva conference. Never was bipartisanship more needed. Yet how can Democrats co-operate with an Administration that has sloganeered itself from one difficulty to another with Democrats the target?

In his Inaugural Address Ike said he had "released" the Chinese Nationalists by eliminating the shield of the Seventh Fleet. This was intended to sound like a sensational reversal of Democratic policy; it amounted to nothing. The Nationalists couldn't get off the ground. Then Dulles announced a "more dynamically anti-Communist" policy. Later came another over-sold program of "psychological warfare." Somehow this would miraculously and bloodlessly make Russia cower. Again, in his second State of the Union message, Eisenhower announced happily that Moscow now, everywhere, had lost "the initiative." And finally comes the "New Look."

By threatening instant atomic retaliation (Dulles suggested, January 12) the USA had got the upper hand militarily, and could consequently cut defense expenditures. Nixon repeated the idea in his starry-eyed reply to Stevenson, March 13. The "New Look" was the GOP's wonderful push-button gimmick that justified slashing the defense budget. Only it turns out that the "New Look" is a hoax. Just another over-sold merchandising slogan on foreign affairs.

The fact is Dulles is in bad trouble. At Geneva next month he negotiates with Chinese Reds on Korea and Indo-China—Reds who haven't lost the initiative. He urgently needs Senatorial support. But some GOP Senators already call it "Asian Munich." He's having trouble even getting GOP Senators to go with him to Geneva.

A lot of wishful thinkers assume McCarthy is finished. We disagree—for three reasons. Democratic pros have no crusading urge to destroy a man who divides Republicans. GOP pros believe he has crucial value in specific constituencies, particularly in swinging the Catholic vote to the Republicans. And Eisenhower, the moral leader of the nation, still refuses to break with him—categorically, irrevocably and by name. The White House continues to exemplify the GOP 1952 election attitude that closed its eyes to McCarthyism until McCarthy attacked the Administration, that will embrace him again if he gives it half a chance, and that still holds him the biggest Fall election asset in many areas. The one-party press takes its moral line from the White House; it did not attack McCarthy till he attacked fellow-Republicans. Only the other day *Time* Magazine pooh-poohed McCarthy as a figment of the *New Republic's* imagination, the insubstantial nightmare of the "left-wing." Let McCarthy resume his attack on Douglas, Humphrey, Lehman and Stevenson, the Foreign Service and the universities and who knows but he can be pooh-poohed again. McCarthy still spellbinds his audience into a mesmeric trance. And don't forget that Hitler reversed targets, or turned lamb-like when opposition grew tough. . . . There used to be a group called *F*or *R*oosevelt *B*efore *C*hicago. This magazine was *A*gainst *M*cCarthy *B*efore *S*tevens.

Congratulations to Philippine envoy Carlos Romulo and *New York Times* Washington correspondent John D. Morris for walking out of a scheduled Mutual network panel discussion last week when they suddenly learned it was sponsored by pro-McCarthy Texas multimillionaire H. L. Hunt's "Facts Forum." MBS had represented the affair simply as a public service network program. Only when it came to checking for voice levels in the studio booth for transcription did the announcer say, "This is sponsored by Facts Forum." They walked out.

We read the *New York Times* column-and-a-half editorial the other day supporting the conservative Humphrey tax program. It was standard, Grade A, *Times'* indictment of the Democrats for alleged political vote-catching by offering "uneconomic" tax cuts to the little man.

Our memory went back to another *Times* editorial, June 17, 1947. This was also on taxes, also a column-and-a-half, also loftily worded. But how different the circumstances! Inflation was then dominant, the GOP 80th Congress had whooped through a $4 billion tax cut; Truman vetoed it on grounds—seemingly unassailable by orthodox conservatives—that the surplus should be applied to reducing the huge debt and to halting inflation. The doughty little President courageously shot Santa Claus in the interest of sound finance. Did the conservative *Times* applaud? No; quite the contrary! It attacked Truman. Its arguments (loftily worded of course) were all on the side of pouring the billions out. What could be the similarity between these two differing *Times'* editorials? Well, the GOP tax cut of 1947, like the one today, was heavily weighted on the side of business as against the small taxpayer.

Steel production is now down to about 68 percent of capacity. Last May, 1953, it was 100 percent. What is true of steel is true of national output as a whole. Total US output is running about $25 billion a year below the full capacity rate which Ike inherited from Truman. This is probably the real danger of the present situation: a "recovery" will ultimately occur but not one that brings us back to full production. It's not certain Republicans really want full production; they may prefer a comfortable "labor reserve" (*i.e.*, unemployment). Ike has not set his economic goal high. With "full production" Beardsley Ruml says gross national output in 1960 could reach $455 billion; Alvin Hansen puts it at $467 billion. Short of full production the economy could still expand and yet lose a total of $300 billion of goods and services between now and 1960 which would otherwise be produced. Cumulative failure to balance supply, demand and a growing population would probably bring us a cracking old depression around 1960, not a mild recession which the present is supposed to be.

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Noteworthy This Week

BEHIND THE HEADLINES

A Premature Death

OVER ELOQUENT dissents of Justices Black and Douglas, the Supreme Court has held constitutional the Submerged Lands Act of 1953, wherein Congress purported to convey to the states all the federal rights and title to the vast oil lands submerged off the shores of the United States. It did so on the ground that Congress has unlimited constitutional power to dispose of federal property. The decision was instantly hailed by politicians of oil-rich coastal states as the end of their long fight to gain state control over what the Court had previously held to be a national asset. But their jubilation may be premature.

Legally, the decision was unexpected. It had been thought that the problem was in a preliminary, procedural stage. Alabama and Rhode Island had moved the Court for leave to file complaints challenging the statutory and constitutional power of Texas, California, Louisiana and Florida to own and operate the offshore oil lands. The defendant states contested the standing of Alabama and Rhode Island to bring these suits, claiming that the latter had no justiciable interest in the lands off the shores of the defendant states. Only after this preliminary objection was settled and the complaints permitted to be filed was it thought that the constitutional issue would be crucial. But the Court ignored this objection. It refused to allow the complaints to be filed not because of any lack of standing to sue but because the basic constitutional challenge was said to be frivolous.

Completely unanswered, however, were the serious doubts raised by Alabama and Rhode Island in their complaints as to whether the 1953 statute was effective to convey to the defendant states title and power over these offshore lands. The complaining states assert that whatever may have been the wishes or objectives of the proponents of the statute, the statutory language neither clearly nor explicitly makes an effective conveyance. The proponents refused to accept the earlier rulings of the Supreme Court that the federal government had "paramount rights" in these lands, rights which the Court in its most recent ruling has treated as property or proprietary rights which Congress can give to the states. And in an effort to protect themselves against the charge that they were giving away property of the United States, the proponents inserted a provision excluding from the statute all lands acquired by the United States "in a proprietary capacity." Hence if Alabama and Rhode Island are right in their claim that the offshore lands were acquired and held by the United States in a proprietary capacity, the lands would not have passed to the defendant states by virtue of this statute. The statute would be a virtual nullity.

Alabama and Rhode Island are petitioning the Court for a reconsideration of its decision, claiming that the decision on the constitutional question was premature and advisory since it has not yet been determined whether Congress effectively disposed of anything by virtue of this law. If the Court should refuse to grant reconsideration and to hear argument on the statutory issues, the chances are that new complaints will be filed relating solely to those issues. Thus the offshore issue has not yet been removed from the judicial arena. Nor has it died politically. Sen. Wayne Morse already has promised that the issue will be very much alive in the 1954 and 1956 elections.

Ahem!

Even Money in Oregon

E. B. MACNAUGHTON, Republican stalwart and chairman of the board of prosperous First National Bank of Portland, recently told a convention of lumbermen, "I agree with those who can't understand Douglas McKay. It's a pity. It looks as if he's forgotten he's from the West." The federal program of hydroelectric power development, said MacNaughton, ex-president of the traditionally-Republican *Oregonian*, has contributed to Oregon's prosperity.

Then, a voting-machine straw poll was concluded at Portland's annual Home Show: in the gubernatorial and Congressional races, twice as many Republican as Democratic votes were cast, but a referendum favoring federal construction of Hell's Canyon Dam carried by nearly 2 to 1. McKay, former Governor of Oregon, has abandoned the Hell's Canyon site to the Idaho Power Company.

The same poll contained another blow to McKay. One of the state's leading conservationists, State Sen. Richard L. Neuberger, a Democrat, polled 308 votes as compared with 305 for old-guard US Sen. Guy Cordon, who follows the McKay line in parting with power sites, timber lands and mining claims.

Oregon businessmen suffered more bankruptcies in February, 1954, than in any similar Febru-

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ary since 1929 and 1930, the years when the Hoover depression was taking its ominous form. Oregon has not elected a Democratic US Senator since 1914, but this year betting is exactly even on Cordon and Neuberger.

"Double Dog Dare"

THE ALABAMA Democratic primary battle finds Sen. John Sparkman fighting a campaign which illustrates the dilemma of a Southern politician who seeks a nation-wide following. To keep solid backing of voters down South, he must take a traditional anti-civil rights stand.

Before his selection as the Democratic Vice-Presidential candidate in 1952, Sparkman had become recognized as a liberal on just about every issue except civil rights. But the big keynote of 1954 Alabama opposition to Sparkman is the charge that he has been a traitor and a turncoat on civil rights.

The anti-Sparkman forces are using 1952 statements of Sen. Hubert Humphrey (D, Minn.), Harry S. Truman, Adlai Stevenson and others as evidence that Sparkman was really pro-civil rights in the Presidential campaign. Most of the Alabama newspapers now declared against Sparkman editorially were supporters of the Eisenhower-Nixon Republican ticket. Sparkman stresses this. But he has tried in vain to get these pro-Republican editors to accept GOP Governor Thomas Dewey's assessment of his record: In the closing weeks of the Presidential campaign, Dewey made a scathing attack on Sparkman's consistent record of voting against civil rights.

Sparkman insists that the best solution to our racial problems lies in improved economic and educational opportunities, not in enactment of FEPC and other civil rights laws. As of now, he seems assured of renomination by a comfortable margin. His most formidable foe is Rep. Laurie Battle, a young conservative from Birmingham backed by the "Big Mules." Battle's central theme is that Sparkman "kicked the civil rights proposals on one side of the Mason and Dixon line and ran over and caught them on the other side." And he has issued "a double dog dare" for Sparkman to answer the charge.

CIO Victory

FOUR YEARS ago, the CIO ousted 11 of its unions as Communist-dominated. And it succeeded in pulling away about half of their 600,000 members. Those who stayed with the expelled unions are largely concentrated in three key organizations — Harry Bridges' International Longshoremen, the Mine, Mill and Smelter Workers, and the United Electrical Workers. These three largely held their own until this year. But now UE is beginning to crack. The 20,000 members of its largest local—No. 301, at the General Electric Schenectady plant —have voted to join the CIO's International Union of Electrical, Radio and Machine Workers. The secession could wreck the UE.

The CIO's IUE has been negotiating with Local 301 for a year. Already representing 400,000 workers in the electrical industry to UE's 100,000 plus, and successful in organizing new GE plants while UE has failed, it could offer the local's members greater job security. And it promised to "eliminate the danger" in the precedent set by GE's unilateral firing of workers who invoked the Fifth Amendment before Congressional Committees.

Deprived of the dues of Local 301's 20,000 members, UE will be at an even greater disadvantage in trying to organize new plants. And with its membership sharply reduced, its bargaining position will be even weaker. So the considerations which determined Local 301's secession will now exert still greater pressure upon smaller UE locals.

In the past, Leo Jandreau, Business Agent and boss of Local 301, has been considered very far left by CIO leaders. Now, however, he has been welcomed. CIO spokesmen say they are convinced he has had a change of heart.

More and More

FACTS FORUM—the voice of McCarthy's financial backer, Texas oilman H. L. Hunt—is expanding again. It already puts out, under its own name, a program carried by 222 radio and 58 television stations. It produces the American Broadcasting Company's radio-television "Answers for Americans," and the Mutual Broadcasting System's "State of the Union" radio show. Now it has taken over Mutual's "Reporter's Roundup," a well-established program with a large audience, and will beam it to some 300 stations at the choice hour of 9:30 to 10 p.m. on Monday nights.

"Reporter's Roundup" has been a "discussion" program offered by Mutual as a public service. After careful research, the *Providence Journal-Bulletin*, on January 4, 1954, concluded a series on *Facts Forum* with the finding "its net effect is to disseminate fear, suspicion and divisive propaganda. . . . The consistent pattern of its 'both sides' broadcasts is to reduce all national issues to: isolationism, ultra-conservatism and McCarthyism vs. treason or stupidity."

Asked about the change, MBS spokesmen stated that the network "duly recognizes its obligation to the American public to present only information which is fair and impartial," and that "in line with this basic concept it produces programs such as "Reporters Roundup" in co-operation with *Facts Forum*. . . ."

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The Tax Bill—Who Pays?

THE LATEST estimates of the Bureau of Employment Security confirm that unemployment is both increasing and spreading throughout the nation. Three major and 12 lesser areas have joined the "distressed area" group in which six percent or more of the working force is unemployed. There are now in America a total of 80 "distressed areas" encompassing 106 cities and towns. These figures are not abstractions. They represent wage earners whose skills are wasted, and families that drink milk and pay rent. Railroad workers are being dismissed as freight car loadings lag 13 percent behind last year. Steel workers are losing their jobs as steel production declines further to 67 percent of capacity. Unemployment claims are mounting from workers in the lumbering, electrical, machinery, automotive and aircraft industries of the West Coast. Layoffs are growing in the metals, machinery and auto factories of Illinois, Michigan, Indiana, Ohio, Iowa and Missouri.

In turn the auto suppliers are cutting back on employment. Soft goods industries have failed to show a seasonal upturn; employment in textiles is sharply downward, not only in New England which is hardest hit, but also in the South. The Labor Department reports 13 percent unemployment in Oregon, close to 12 percent in Washington and Idaho, more than nine percent in Rhode Island, Tennessee and Mississippi. Maine reports 16 percent partially unemployed, followed closely by Missouri, New Hampshire and Georgia. In all these states, factories are on a short work week, and families are on short rations.

These conditions express a need for immediate action by the federal government. They also reflect a developing, long-range trend of insufficient purchasing power to absorb the productive capacity of the American economy. Private industry intends still to spend $27 billion for new plant and equipment this year. These plans may be drastically revised if prices fall and markets fail. In that event unemployment will mount rapidly to levels at which moderate remedies will no longer suffice.

Yet even if all the present goals of industry and government are achieved the gap between estimated purchasing power and that needed to maintain maximum employment, is estimated by the Joint Committee on the Economic Report at $2 billion this year, and $13 billion in 1955. This gap in purchasing power means that, according to the most optimistic estimates of industry and the Administration, five million men will be out of work by next winter.

These are the circumstances in which the President sent his tax bill to Congress, and the House approved it as a means of keeping the nation fully employed. While a conservative trend was anticipated in the tax program, and in a sense sanctioned by the 1952 election, analysis indicates that the President's program goes too far for the good of the Administration, the well being of industry and the stability of the nation in shifting the tax burden from corporations and high-income families to low-income groups.

The President's Tax Bill

President Eisenhower has presented his tax bill as one to benefit all the people. It is, he says, "a tax plan fair to all" . . . "a carefully balanced tax program," a plan "so you can save or spend more of your own money as you personally desire"; a measure indispensable (for reasons not explained) to such diverse purposes as slum clearance, improved health, overseas markets and an "improved Taft-Hartley Act." In this tax bill, the President assured his listeners, "The government is turning back to you about all that we expect to save this year." Those who propose instead to raise personal income-tax exemptions, the President charges, are guilty of playing politics in an election year.

No doubt the President sincerely believes these statements about his tax bill. None of them, however, stand up on close analysis. The President opposes raising the personal income-tax exemption from $600 to $800 on the ground that the government cannot suffer the loss of $2.5 billion a year that this measure would involve. Yet the President's own bill deprives the government of $3.1 billion a year in revenue. Nor is this income that the American family can "save or spend" as it desires. Almost $2.75 billion of the tax loss of $3.1 billion goes to corporations and wealthy individuals, and this is only a part of the bonuses granted to these groups by the tax bill.

The bill is more accurately identified by the *New York Times* as a businessman's tax bill, written by a businessman's administration. The *Times* adds:

"Essentially and primarily the program will help business big and little and thereby, it is argued, will help the country as a whole."

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This certainly was the argument advanced by Secretary of the Treasury George Humphrey in Congressional testimony. First he denied that maximum employment was the goal of the Administration. It may be, said Secretary Humphrey, that production will fall below 1953 levels in 1954 and 1955. He added:

> I do not think . . . we have to set new records every year. Nineteen fifty-three was a record year. We can have fine business, we can have fine conditions in America and still have everything minus of 1953 . . . [but] . . . unless the government does something to interfere terribly . . . it seems to me that over a period of 10 to 15 or 20 years we are just bound to move ahead.

Second, Secretary Humphrey argued, the way to move ahead over the next 10 or 15 or 20 years was to place more money in the hands of business. When Senator Fulbright argued that underconsumption was the principal threat to the economy, Mr. Humphrey answered:

"The goose that lays the golden egg is production. . . . Pay rolls are what makes consumers."

Accordingly, the President's tax bill sets out to check the decline in private investment by unloading a part of the tax burden that industry now bears.

Tax Relief on Dividends

First in the list of tax reforms proposed by the President and approved by the House is tax relief on dividends. The President stated:

"We propose to reduce double taxation by excepting this year the first $50 and deducting five percent of the balance of dividend income and double those amounts thereafter."

This measure was advanced by the President as an aid to low-income groups. It was, he said:

"of particular interest to those among you who want to make investments to help meet the expenses of a growing family or of old age."

Elsewhere in his speech the President stated:

"The good American doesn't ask for favored position or treatment."

In fact, this measure which will deprive the Treasury of $814 million a year when it is in full operation, sets up a favored class of Americans. For example, a man with three dependents who earns $12,000 from wages, salaries or professional fees will pay $2,100 in federal income tax, while his neighbor with three dependents, who lives off the dividend income from inherited or accumulated wealth, will pay only $900 a year.

A broader comparison is given by the House Ways and Means Committee (Minority Report). If citizen A draws his income entirely from salary, wages or fees, and citizen B entirely from dividends, then, under the Eisenhower tax bill, the following income taxes are paid (both have two dependents):

Income	*A Pays*	*B Pays*
$ 3,000	$ 60	$ 20
4,000	240	110
5,000	420	200
8,000	976	484
10,000	1,372	700
15,000	2,486	1,360
20,000	3,800	2,220
25,000	5,138	3,280
50,000	15,976	11,670
100,000	44,724	35,905

In his press conference of March 17, President Eisenhower issued a prepared statement in support of this measure. Citing the United States Steel Corporation, which he assumed to be typical, he held that 56 percent of its stockholders were in income brackets of less than $5,000 a year.

The example is poor as evidence to support the President's bill.

The under $5,000 bracket includes many groups such as wives who file separate returns;

The President's statistics are based on a recent and very incomplete mail questionnaire which was not sent to institutions, trustees and brokers and which obtained only a 50 percent response;

The same survey showed that the 26 percent of the stockholders of US Steel in the over $10,000 bracket hold 47 percent of the stock while 10 percent of the stockholders in the over $25,000 bracket hold 30 percent of the stock;

US Steel is not typical; the *Michigan Business Review* of January, 1953, demonstrates that six-tenths of one percent of American families own 80 percent of all the publicly owned stock, and only eight percent own any stock at all. Seventy-six percent of all dividend income goes to those with more than $10,000 or 3.7 percent of the taxpayers.

Depreciation Allowances

The second major grant to business is the provision in the President's bill to permit accelerated tax write-offs for depreciation of all new plant and equipment. At present depreciation is allowed in equal amounts each year over the life of the plant or machine. Accountants have argued that this system does not accurately reflect the value of the investment which depreciates more in early years than toward the end of its life. So a system is proposed by the President and approved by the House which concentrates the depreciation allowances and so reduces the taxes in the early years.

This proposal is defended on the ground that the total tax paid *on any given plant or machine* is unchanged. That is true—and deceptive, in that it conceals a loss to the Treasury which the House Ways and Means Committee staff estimates at $19 billion over the next 18 years.

The point is that the average plant and equipment in

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the nation is 10 years old and is being constantly replaced. Under the new system, the existing plant will continue to be taxed on the old system while new plant will be granted higher allowances for the next ten years. How this operates to deprive the Treasury of revenue is illustrated by the House Ways and Means Committee in the case of a single corporation.

This corporation (says the Committee) has 20 machines costing $1,000 apiece and having a useful life of 20 years. One-twentieth of the capital investment, or one machine, wears out each year and is replaced. The Committee (Minority report) notes:

> Thus in the first year a new $1,000 machine is eligible for the double-rate declining balance method of depreciation; in the second year two new machines costing $2,000; in the third year three new machines costing $3,000, and so forth until in the 20th year all the company's 20 machines costing $20,000 are eligible.

The House Ways and Means Committee (Minority Report) assigns a salvage value of $213.58 to each machine. It then sums up the depreciation allowances:

	Present System	*Eisenhower Proposal*	*Benefit*
Each machine	$ 878.42	878.42	—
All machines.....	$9,223.42	12,094.17	2,370.85

So under the Eisenhower proposal, the company gains a 31-percent increase over the next 20 years in allowances for depreciation with corresponding losses for the Treasury.

The Committee (Minority Report) adds:

> The effect on the economy as a whole will be the same as the effect on the company in the example. The only difference is that the entire economy is currently replacing its factories, machinery, and equipment at the rate of about $31.7 billion per year instead of the $1,000 used in the example.

So the Committee estimates the loss to the Treasury suffered by this single item in the Eisenhower bill over the next 14 years:

Estimated revenue loss

Fiscal year ended June 30—	*In millions*
1955	$ 375
1956	1,050
1957	1,550
1958	1,900
1959	2,100
1960	2,200
1961	2,150
1962	2,050
1963	1,850
1964	1,600
1965	1,300
1966	950
1967	550
1968	125

The total loss to the Treasury is estimated by the Committee at $19 billion. This assumes of course that the total capital plant of the nation will not increase, and to the extent that it does, the loss will be still larger.

Depletion Allowances

Changes in the depletion allowances constitute a third major grant to business in the Eisenhower tax bill. They are not mentioned by the President in his report to the nation, or by the House Ways and Means Committee in its Minority Report; yet they widen further the most inequitable loophole of all in the present tax laws.

Depletion allowances, granted on wasting assets, have been extended in recent years to 56 classes of non-metallic minerals. They were at first related to the proportion of the asset used. Then, where the extent of the asset could not be clearly estimated, the allowance was based instead on a percentage of gross income. While this method was logical in the case of oil, once granted it was extended to minerals where total resources were known. Nor, in the case of these metals could the hazards of striking dry wells be cited as reason for the special bonuses that were obtained. Meanwhile the depletion allowances have risen until they amount to 27.5 percent of gross income for oil and gas, 23 percent for sulphur, and 15 percent for metals. From the fortunes amassed from these allowances have come the finances for the lobbies and political funds that perpetuate the system.

Under the new bill, the percentages allowed for tax relief are not significantly raised. But the "property" on which income is calculated and depletion allowed is redefined. Formerly "property" referred to the wasting asset itself. But, in the words of the House Ways and Means Committee:

"The new provision permits a taxpayer to elect to treat as one property an aggregation of his separate operating mineral interests which constitute all or part of an operating unit."

What this may mean can be seen from an example:

Clay is an abundant asset, but one on which depletion is allowed. Formerly, an integrated brick company which digs and processes clay claimed a depletion allowance equal to five percent of the value of the clay obtained. Now the same company will seek and no doubt gain its depletion allowance on the value of the clay after it is processed.

So the way is opened for a major assault on the Bureau of Internal Revenue.

Pensions Trusts

The fourth major grant to business in the Eisenhower tax bill lies in the amendment of present laws governing pensions trusts.

Tax relief was granted to corporations to encourage these trusts, and the beneficiaries were taxed only on receipt of the pensions. As a result, the trusts were widely used to pay deferred income to corporation executives and so to evade income taxes. Consequently the

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law was amended in 1942 to provide that to qualify for tax relief, all trusts must be available to 70 percent or more of a corporation's employees.

The Eisenhower bill now relaxes the tests which these trusts and plans must meet in order to gain tax relief. Once again a plan designed for a small minority of corporation officials is permitted, and the way is opened for favored treatment of officials in the higher income brackets. Pension plans may of course be desirable. They are denied altogether to lawyers, doctors and professional partnerships.

No Favored Group

Against these major benefits are the reforms proposed by the President's tax bill to low income groups. "Millions of individuals," says the President, "will benefit."

Working mothers are granted $600 deduction for child care expenses but only if they are widowed, separated or married to husbands incapable of earning income. The total amount involved is $40 million a year.

Medical expenses are liberalized. Formerly deductions in excess of five percent of income were allowed; now the ceiling is lowered to three percent, and the total expense that may be deducted is raised. For those who suffer catastrophe, or drastic illness, this is a blessing. But for the great majority of taxpayers no benefit is gained. Ten percent of income is allowed at present, and among low income groups is rarely claimed. Very few families spend 13 percent of their income in medical expenses. The total sum involved is $80 million a year.

Altogether, the House Ways and Means Committee staff estimates that in 1955 wage and salary earners will obtain $400 million in tax relief, stockholders will gain $240 million (the full rate gain becomes effective after 1956) and corporations $619 million in direct and immediate relief. But the relief measures granted business will not be felt at once. The staff estimates that the total relief granted to corporations if the present corporate tax rate is continued will amount to $22 billion by 1960.

"The good American," declares the President, "doesn't ask for favored position or treatment."

Why then is a favored treatment granted to business?

One answer, of course, is that there is merit in all of the President's proposals, if they can be considered apart from the shift in national income that they involve, and the dangerous economic trends that they confront but will not arrest. The treatment of depreciation is a major defect in the revenue system and one due for reform *were it accompanied by measures to offset the tremendous loss in revenue it involves.* The credit on dividends might increase the amount of capital available for risk enterprise *were the barriers to expansion a shortage of capital and not a shortage of demand.* The trouble is that the President's proposals are not presented as reforms but as bonuses to business and as bonuses they come at the wrong time when neither business nor the nation will gain as much as is lost.

1953 was marred by the blunder of hard money. That policy was reversed at considerable cost to the economy. Now it is followed by the tax bill—the blunder of 1954.

"Production," says Secretary Humphrey, "is the goose that lays the golden egg." Money placed in the hands of industry will automatically be invested in new plants and equipment which in turn will swell the payrolls of Americans.

If this argument is valid our history should record some inverse ratio between corporation taxes and corporate investment. The figures are these:

	Corporate tax rate (percent)		*New investment (in billion $)*
1939	34		5.5
1946-49 (av.)	38		19
1950-53 (av.)	45-50	(Plus excess profit tax)	25
1953	52		27.8

Taxes of course are a depressant in business activity. But corporate investment rose to record levels under our highest peace time tax rates *because the markets for American industry were assured.*

Today, on the contrary, purchasing power is lagging, idle capacity exists in basic industries, unemployment is raising, farm income is down, American exports are less in demand. Under these conditions, no automatic power directs corporate savings into corporate investment.

To those who stress these dangers the President has a terse comment: "Viewing with gloom is only to be expected in the Spring of an election year." Unemployment is not alarming, according to the President, for it is no higher than in the Spring of 1950. That is true, yet the level is less significant than the trend. The 1949 recession was reversed when the Truman Administration liberalized consumer credit, cut reserve requirements, took in $5 billion less in taxes, and spent $4 billion more in aids to veterans and farmers. No such steps have been taken this year.

The deflationary gap at present is at least $6 billion. A reduction of $3 billion in taxes related to spending is the minimum requirement if the rising unemployment is to be checked. It may be that for the reasons given by the President raising the personal income-tax exemption is not the soundest course. The alternatives are a reduction in tax rates on incomes below $5,000 or a selective reduction in excise taxes.

Each day that action is delayed the perils of deflation are likely to increase. In blunt but meaningful sentences, a CIO economist warned Congress:

> In the face of the present economic situation confronting the country, therefore, production will not be the goose that laid the golden egg. Rather, I think Secretary Humphrey's proposals will have laid an egg that will not hatch because it will not be laid in an atmosphere of increased demand for the products of American industry. It will merely be hidden in the savings of wealthy stockholders and corporations for an incubation period that is dangerously long.

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While You Weren't Looking

THE NATURAL GAS ACT of 1938 is being nibbled hollow. Regulatory powers conferred by the Act upon the Federal Power Commission already have been reduced to a point where further weakening could make of the Act itself a fraud —the protection it implies would not in fact exist. The major damage has been done since the Republican Administration took power. And on March 15, while public attention was diverted to more dramatic issues, Sen. John W. Bricker (R, Ohio) maneuvered another vitiating measure through the Senate. The President's signature will make it law. One of the chief benefactors will be the East Ohio Gas Co. of Cleveland. Bricker's law firm is counsel for that company—for a fee of $500 a month.

The many operations involved between the gathering of gas at its source in one state and its delivery to the consumer in another are a unit held together by pipelines. And the natural gas industry came under federal supervision because its interstate character frustrated efforts of state agencies to obtain information necessary to sound rate-regulation, and forced them to pass along any cost increases resulting from lack of or shoddy regulation at any point along the line. The industry's efforts to avoid regulation consequently have not aimed at rescinding the Act, but at exempting an increasing number of operations from federal supervision so that state agencies would again be working in the dark.

One major bid in this direction was the Kerr Bill of 1950 which sought to free the price at which gas entered the entire system. Harry Truman vetoed it. But the now Republican-dominated FPC has put the bill's provisions into effect by insisting that it has no authority to regulate prices charged by non-transporting producers. Midwestern cities, counties and states have appealed that decision to the Courts. The Supreme Court will finally determine. In the meantime the provisions of the Kerr bill are in effect.

Having, at least temporarily, succeeded in freeing the producing end of its operations from federal supervision, the industry turned to the consuming end. Late in the last session of Congress, Rep. Carl Hinshaw (R, Cal.) introduced a bill (HR 4976) to exempt from federal regulation companies which bought at a state line gas to be entirely sold within the state. And Edward Falck arrived in Washington, D. C. to register as a lobbyist for the bill at $250 a day, plus expenses.

The Hinshaw bill would permit any large gas company—3 percent of the companies account for some 70 percent of all sales in an industry which grossed well over $2 billion last year—to set up a wholly owned subsidiary to sell gas within one state and thus avoided federal regulation on that part of its operation. State regulation cut off from federal information on costs and operation, and applied in terms of a rate-base formula far more favorable to the companies—cost of replacing equipment rather than actual investment—would permit attractive price increases. The Mayor of Cleveland, Ohio, denounced the Hinshaw bill on the grounds that the area served by the East Ohio Gas Company—Bricker's client —alone would ultimately have to pay an additional $3 million yearly for gas. Other mayors, the National Institute of Municipal Law Officers, civic organizations, and Federal Power Commissioner Dale E. Doty also opposed the bill.

But the Republican majority of the FPC approved the Hinshaw bill—although it establishes a precedent applicable not only to other phases of the gas industry but also to all other industries which come under federal regulation as interstate public utilities.

Bricker had introduced a similar bill, but one which did not dare so much, in the last Democratic Congress. Opposed by the old FPC, it died in the House. This time, no chances were taken. Hinshaw introduced his bill on June 27, 1953. Two days later, the House Interstate and Foreign Commerce Committee—ranking majority member: Hinshaw—held one hearing on it and other gas bills. The bill was sent to the House which passed it on July 30, 1953. The Senate Interstate and Foreign Commerce Committee—Chairman: Bricker —received it the same day, approved it without hearings, and sent it to the Senate on the same day.

Sens. Paul Douglas (D, Ill.), Wayne Morse (Ind, Ore.) and Thomas A. Burke (D, Ohio), lately Mayor of Cleveland, led the Senate fight against the bill. They asked only that it be sent back to Committee so that proper hearings could be held. The Republican leadership joined with Bricker to resist this motion, which was defeated 52 to 25.

Douglas has now introduced a bill to make it improper for a Congressman to vote "in Committee or on the floor . . . or to act in any official capacity on any legislation in which the Congressman has a substantial and direct financial interest."

Bricker this year also used his powerful Committee chairmanship to oppose US participation in the St. Lawrence Seaway project. The Pennsylvania Railroad, a firm foe of the project, is a Bricker law firm client.

Who Voted "No" on Hearings

Republicans

Barrett (Wyo.)	Ferguson (Mich.)	Payne (Maine)
Beall (Md.)	Goldwater (Ariz.)	Potter (Mich.)
Bennett (Utah)	Hendrickson (N. J.)	Purtell (Conn.)
Bricker (Ohio)	Hickenlooper (Iowa)	Schoeppel (Kans.)
Bridges (N. H.)	Ives (N. Y.)	Smith (Maine)
Butler (Md.)	Jenner (Ind.)	Smith (N. J.)
Capehart (Ind.)	Knowland (Cal.)	Thye (Minn.)
Cooper (Ky.)	Kuchel (Cal.)	Upton (N. H.)
Cordon (Oreg.)	Malone (Nev.)	Watkins (Utah)
Dirksen (Ill.)	Martin (Penna.)	Welker (Idaho)
Duff (Pa.)	McCarthy (Wis.)	Young (N. Dak.)
Dworshak (Idaho)	Millikin (Colo.)	

Democrats

Anderson (N. Mex.)	Hunt (Wyo.)	Long (La.)
Byrd (Va.)	Johnson (Colo.)	Maybank (S. C.)
Daniel (Tex.)	Johnson (Tex.)	Robertson (Va.)
Eastland (Miss.)	Johnson (S. C.)	Smathers (Fla.)
Ellender (La.)	Kilgore (W. Va.)	Stennis (Miss.)
Holland (Fla.)	Lennon (N. C.)	

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THE DULLES DOCTRINE:

"Instant Retaliation"

IN THE ARTICLE which follows, Mr. Morgenthau raises questions not yet satisfactorily answered as to the *military* soundness of massive atomic retaliation as a deterrent to future Communist aggression. But since the problem of Soviet imperialism, as Mr. Morgenthau notes, is wider and more complex than one of military tactics, no *military* answer is completely satisfactory.

Despite the preoccupation of the President, his Secretary of State, Congress and the American people with *military* strategy, our capacity to drop atomic bombs on Communists (and shield ourselves from their bombs) is not, by itself, a defense against the various forms of Communist aggression.

A-bombs are not likely to "deter" Ho Chi Minh's army in Indo-China, nor partisans of the growing Communist movement in India, nor the more than 6 million followers of the Italian Communist Party. For effective retaliation against *them,* Mr. Dulles has offered no concrete plans.

It may be that the Administration's accent on atomic weapons *will* dissuade the Russians from doing what they have not done thus far—launching an all-out war; or that, should such an attack occur, the new weapons of the free world will provide the best means of beating back the attack.

But the question that is being ignored in all this discussion is whether all-out, military aggression by the armies and air forces of the Communists is the most probable form of Communist attack? Are we not dangerously miscalculating the *nature of Soviet methods?*

The *New Republic* has long said that in the face of the Soviet world conspiracy, the free world must maintain adequate defenses. We have *not* said that the defense of the free world will be thereby assured, or even that military defense is the most necessary insurance against Communist advance.

It is a misleading over-simplification to interpret the Soviet menace only, or even primarily, in military terms. For the long-range (and not so long at that) danger is that with Russian ideological incitement and material assistance, millions of politically and economically displaced persons in Europe, Asia, and North and South Africa will identify *their* hopes with Moscow and Peking, that the nationalist, and revolutionary movements of this age will be expressed in Communist rather than democratic terms.

Mr. Dulles says that "the free world must devise a better strategy for its defense *based on* its own special assets."

But what are those assets? Surely not merely faster and longer-flying aircraft carrying more destructive explosives. The Devil is not idle; he too is developing the capacity for massive retaliation by air. The primary assets of the United States and its major allies in the foreseeable future are a massive capacity to *produce,* plus democratic government which values the individual (and does not think of him, in Mr. Nixon's words, as a "rat").

Neither Mr. Dulles nor the President, nor the leaders of either party offer any realistic program to utilize either the unrivaled productive facilities of the United States or its democratic political ideal to rally and hold to our side the mass of non-Communists in Asia, Europe or Africa who are poor, politically enslaved or both.

Mr. Dulles has a problem; not a new one for our Secretaries of State. It is the problem of conflict between his domestic and the foreign constituencies. He knows that Congress, Republican or Democrat, is in no mood to finance the kind of costly, long-range program of economic development abroad which could, in time, nullify Communist attempts to exploit poverty as a propaganda lever. He knows that the American voter wants a less heavy burden; and so he suggests, "It has now become practicable to reduce our economic aid to our allies." It is politically wiser for him to talk of a New Look than of Point Four.

So the American people are being given a false sense of security, bought for less, and are led to believe that the Communist threat can be held in check by military retooling. It's a deception; the Communists will continue to "nibble away" at the free world, not by identifiable military attacks under the flag of the USSR or Red China, but by posing as champions of national independence in Asia and Africa and by proclaiming that the way to end exploitation is to follow their way of life.

Never in our history have politicians *talked* more anti-Communism than they do today. But epithets don't deter Russians; they manufacture those too, along with bombs.

What might frighten the Russians (though it wouldn't stop them from conspiring to create disorder wherever possible) would be a free world offensive, led by the United States, designed to bring political independence

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and higher standards of living to every area of the world which lacks either or both.

That program would cost more than a New Look. America could afford such an offensive, mounted to meet political and economic Communist aggression, but it appears that neither political party believes it can afford to fight Communism at the price of voter rebellion back home.

Will It Deter Aggression?

by Hans J. Morgenthau

THE "INSTANT RETALIATION" speech of Secretary Dulles, delivered on January 12, was presented as a major redefinition of United States policy for the decade to come. Its importance, if not its meaning, was confirmed by the debate it has provoked. Lester Pearson has questioned it; Adlai Stevenson has criticized it; Vice President Nixon has defended it; Sir John Slessor has amplified it; Secretary Wilson has minimized it; Admiral Radford and his colleagues have set out to "explain" it and ended by explaining it away; President Eisenhower has stated that the new doctrine is not a new doctrine at all; Secretary Dulles has reaffirmed its newness in a somewhat more modest form.

Through the confusion of these conflicting statements certain clear lines of argument can be seen. Congress and our allies have asked who will decide on "instant retaliation" and have been assured that their "consent and acquiescence" is necessary. Army and Navy spokesmen have stressed that conventional weapons are still needed and this also is conceded. Objections have been advanced to the rigidity of the Dulles formula and in turn the Secretary of State acknowledges that its application in any given situation will turn on the facts. For all these modifications and qualifications however, the doctrine itself has not been questioned by those in power. The January 12 speech stands in its essentials, as the expression of a major step by the National Security Council. It outlines a fundamental change that has taken place in United States strategy, and that is affirmed day by day, in important decisions such as those to eliminate three active Army divisions, to reduce naval personnel by 100,000 men, to extend the use of atomic weapons, and at the same time to warn our opponents that, in the event of new aggression in Korea, our counter-action will not stop short at that nation's Northern frontier.

With this in mind let us start over by re-examining the January 12 address, setting aside interpretations of Secretary Dulles' address by his colleagues, and assuming that he meant precisely what he said.

Mr. Dulles makes essentially five points which serve as the keystones of the new policy.

First, "emergency action, imposed on us by our enemies" and exemplified by the Korean War and the Marshall Plan, must be replaced by a long-term plan which provides "a maximum deterrent at a bearable cost."

Second, we shall—and this is "the basic decision" made by the President and the National Security Council—"depend primarily upon a great capacity to retaliate, instantly, by means and at places of our choosing."

Third, as a corollary to "placing more reliance on deterrent power," we shall depend less on "local defensive power."

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The Dulles Doctrine

LOCAL DEFENSE will always be important. But there is no local defense which alone will contain the mighty land power of the Communist world. Local defenses must be reinforced by the further deterrent of massive retaliatory power. . . .

The way to deter aggression is for the free community to be willing and able to respond vigorously at places and with means of its own choosing.

So long as our basic policy concepts were unclear, our military leaders could not be selective in building our military power. If an enemy could pick his time and place and method of warfare—and if our policy was to remain the traditional one of meeting aggression by direct and local opposition—then we needed to be ready to fight in the Arctic and in the tropics; in Asia, the Near East and in Europe; by sea, by land and by air; with old weapons and with new weapons.

The total cost of our security efforts, at home and abroad was more than $50 billion per annum. . . . This could not be continued for long . . . .

But before military planning could be changed, the President and his advisers . . . had to take some basic policy decisions. This has been done. The basic decision was to depend primarily upon a great capacity to retaliate, instantly, by means and at places of our choosing. Now the Department of Defense and the Joint Chiefs of Staff can shape our military establishments to meet the enemy's many choices. That permits a selection of military means instead of a multiplication of means. As a result, it is now possible to get, and share, more basic security at less cost . . . .

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Fourth, "broadly speaking, foreign budgetary aid is being limited to situations where it clearly contributes to military strength."

Fifth, "if we can deter such aggression as would mean general war . . . then we can let time and fundamentals work for us. . . . The fundamental, on our side, is the richness—spiritual, intellectual and material—that freedom can produce and the irresistible attraction it then sets up." Thus "we shall confront dictatorship with a task that is, in the long run, beyond its strength."

In order to understand the nature and value of this policy it is necessary to visualize the five contingencies for which the United States must prepare.

1. Prevention of atomic war;
2. Victory in atomic war;
3. Local resistance to local aggression;
4. Resistance to local aggression by striking at its source;
5. Revolutionary changes without open Soviet intervention.

The new policy can hardly hope for (2), it depreciates (3) and obviously has no relevance at all to (5). Its relevance is limited to (1) and (4).

THE new policy assumes that the threat to the US will take the form of open military aggression to be prevented by the threat, or answered by the reality, of atomic retaliation. With this assumption the new policy reverts to the pattern of the 40's when the American monopoly of the atomic bomb or at least of a stockpile of atomic bombs sufficient to wage successful atomic war stabilized the line of demarcation of 1945 between East and West. The virtual certainty that any step taken by the Soviet Union beyond that line would lead to the outbreak of a third world war, fought only by the US with atomic weapons, may have prevented such a step from being taken. It may seem trite, but in view of the somnambulistic quality of much official argumentation it is not superfluous, to point out that a policy of atomic retaliation is a sure deterrent only if the retaliatory power has a monopoly or a least a vast superiority in the retaliatory weapon. But what if the power to be retaliated against is in a position to retaliate against the retaliation or to make retaliation impossible by prevention?

The new policy is intended in future to make local aggression, Korea-style, impossible; for no government in its senses will embark upon local aggression in the knowledge that its industrial and population centers will be reduced to rubble in retaliation. In other words, the policy of atomic retaliation, by the very fact of its announcement, removes the need for its implementation. However, this is not the end of the story. It is easy to imagine situations where local aggression will not be deterred by the threat of atomic retaliation but will be regarded by the aggressor nation of such vital importance to itself that it must be undertaken in spite of the risk of an atomic war. One can well imagine a situation arising in Central Europe which will induce the Soviet Union to take military measures which come under the heading of local aggression.

The advocates of the new policy foresee such a contingency and think they have an answer to it. "In a situation like, say, the Czech crisis of 1938," declares Air Marshall Sir John Cotesworth Slessor, "the first step would be a clear warning in secret that any attempt at a solution by force would bring the guarantee into operation. If that did not work . . . the people concerned should be told clearly—by radio and pamphlets dropped from the air—what will happen if their government uses force and warned to evacuate a specified list of cities. . . . At the same time we should move the bomber forces to war stations and publish the fact that we were doing so." Splendid strategy indeed for 1950, but nothing short of absurd in 1954! For what does the Air Marshall expect the aggressor nation to do in the face of such a threat? Once things have gone so far as the Air Marshall anticipates they might, the aggressor nation has only one choice: to start a war of atomic prevention against the threat of a war of atomic retaliation. A new Korean or Czechoslovakian crisis, then, will not start with ground troops marching into Korean or Czech territory, but with the aggressor dropping atomic bombs on the military and industrial installations of the nations committed to atomic retaliation.

This being so, the policy of atomic retaliation requires by its very logic an effective policy of defense. For the defenseless installations of a nation committed to a policy of atomic retaliation offer a temptation to an aggressor, which under certain circumstances might well nigh be irresistible, to make retaliation impossible through an atomic war of prevention. Yet the Administration has committed itself to atomic retaliation without seemingly having either adequate policy of military defense against atomic attack or a policy of civilian defense which would make atomic attack less attractive through the dispersal and, hence, multiplication of targets.

Yet, even if the new policy were implemented by civilian and military defense, in order to be successful, it would have to guard against two drawbacks. Mr. Dulles, speaking on January 12 before the Council on Foreign Relations in New York, could speak bravely about what we would do with our atomic bombs. In contrast, no President would give an order to start an atomic war without much soul searching, hesitation and doubt. Yet a policy of atomic retaliation will prevent an atomic war rather than provoke it only if there is not the shadow of a doubt in the minds of friend and foe alike about what will happen in the case of local aggression. If the prospective aggressor is reasonably certain that local aggression will be met with atomic retaliation, there will either be no local aggression at all or there will be atomic prevention. But if we leave the prospective aggressor in doubt, the policy will invite that kind of miscalculation that has so often in the past led to the outbreak of a general war which nobody wanted and which would not have broken out had the potential

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aggressor known in advance how the other side was likely to react.

The new policy shifts the emphasis from the conventional weapons to the new instruments of atomic power. By doing so, it recognizes what, at least in theory, has not always been recognized before, namely, that the United States has not the resources to oppose more than one local aggression at a time by local means. The United States would not have been able to fight two Korean Wars at the same time. By recognizing these limits of American strength, the new policy also recognizes that there may be local aggressions to which we have no answer at all, *e.g.* Indo-China, or against which our only answer is the atomic bomb. The shift from the traditional weapons of local defense to atomic weapons, then, on the one hand, limits our ability to meet local aggression by local means, as we did in Korea, and, on the other, increases the temptation to use the atomic bomb against local aggression where under the old strategy we might have used traditional weapons. In other words, the new policy tends to limit our choices. Formerly we could have met local aggression by doing nothing, by resisting it locally, or by striking at its source with atomic bombs. The new policy contracts the sphere within which the second alternative can operate. Confronted with a choice between doing nothing at all or dropping an atomic bomb, the new policy increases the incentive for doing the latter. In the words of William Graham Sumner, "For what we prepare for is what we shall get."

Yet the chances that any of these contingencies will actually come to pass may well be small. For the immediate threat to the security of the West arises not from local aggression, Soviet inspired or otherwise, nor from atomic war deliberately embarked upon by the Soviet Union, but from the revolutionary fire which is sweeping through much of Asia, Africa, Western Europe and Latin America. Atomic retaliation can only be an answer to open military aggression. It stands to reason that to drop atomic bombs on Moscow or Peking is no answer to the threat of Communist revolution in Italy or Indo-China. The crucial problem of national and social revolutions, that Moscow did not create but which it exploits, Mr. Dulles fails to face. The generalities of freedom are offered, of course; it is the specifics of freedom that

Stevenson: The Dangers

We are told, and I am quoting the words of Secretary Dulles, that we have rejected the "traditional" policy of "meeting aggression by direct and local opposition." We have taken the decision "to depend primarily upon a great capacity to retaliate instantly, by means and places of our choosing . . . ."

All this means, if it means anything, that if the Communists try another Korea we will retaliate by dropping atom bombs on Moscow or Peking or wherever we choose—or else we will concede the loss of another Korea—and presumably other countries after that—as "normal in the course of events."

Is this a "new look" or is it a return to the pre-1950 atomic deterrent strategy which made some sense as long as we had a monopoly of atomic weapons with a strategic Air Force? Yet even then it didn't deter attack, and brought us to the brink of disaster in Korea where atom bombs were useless, and we were only saved by heroic exertion to recreate conventional ground forces.

But you say, we did not use the bomb against Russian and Chinese targets for fear of enlarging the war. Exactly, and if we should now use them in retaliation it would certainly mean World War III and atomic counter-retaliation. For the Russians have massive power of retaliation with atomic weapons just as we do, and our cities are also susceptible to destruction.

And if air-atomic power is our policy, what are we doing to build up the Air Force, let alone continental defense? . . . .

What if we had relied exclusively on a policy of "massive retaliation" since the close of World War II? Would we have resorted to global atomic war in order to meet the Communist threat in Greece and Turkey? To counter the Berlin blockade? To resist aggression in Korea?

If the answer is no, then the so-called "new look" in foreign policy is no "new look" at all, but merely a continuation of the policy of adapting our methods of resistance to the method of attack—a policy that has brought the free world through many crises without precipitating a Martian catastrophe.

Instead of greater freedom of choice, does this decision to rely primarily on atomic weapons really narrow our choice as to the means and the places of retaliation? Are we leaving ourselves the grim choice of inaction or a thermonuclear holocaust? Are we, indeed inviting Moscow and Peking to nibble us to death? . . . .

Using weapons short of war, and relying upon our reluctance to embark on global war, the Communist imperialism will attempt to absorb country after country, to close the ring around us, and to decide the issue between tyranny and freedom long before a final outburst of atomic fury.

It seems to me that the new weapons—even if we had a complete monopoly—are no answer to all the complicated aspects of this world-wide struggle, for armed aggression is only one of the many shapes of the Communist menace. And the only thing new about the "new look" appears to be the weakening of our Navy and ground forces and reducing the non-atomic programs and policies that we need to win the "Cold War."

Adlai Stevenson: from an address at Miami, March 6, 1954.

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concern the nations whose futures are now in doubt.

Nothing in the January 12 address shows more clearly the new policy's lack of political sensitivity and imagination and its predominant concern with military matters than Mr. Dulles' assurance that "foreign budgetary aid is being limited to situations where it clearly contributes to military strength." This is a far cry indeed from the promise of Point Four. Yet the full measure of the reduction of American political and military strategy to the threat of atomic retaliation and of its moral, political and even military impoverishment is revealed only if one compares Mr. Dulles' speech with the one Dean Acheson gave exactly four years earlier, painting a vivid picture of the Asiatic revolution and of the role America must play in it.

Perhaps, however, the key to the new policy is to be sought not in such considerations of high political and military policy, but in the fact that in a speech of about 3,500 words there are no less than 15 references to the comparative cost of alternative policies and to the cheapness of the new one. Perhaps it is all a matter of saving money. Perhaps the *London Times* is right in saying: "It is indeed hard to see where and how the great strategic change has taken place, though it is not hard to recognize the economic reason why it has become politically desirable to assume that it has done so."

If the economic interpretation of the new policy is correct, and much in the recent statements of the President and of Mr. Dulles point to its correctness, it may again seem trite, but it is not superfluous, to remind the money savers that a Korean War, even one fought in perpetuity, is cheaper in every respect than an atomic war.

The President no doubt would agree and some observers feel that in his press conference of March 17 he rubbed all the newness off the New Look. The doubts remain, however, and extemporaneous remarks and speeches by subordinates cannot suffice. The President owes it to the nation and the world to make clear in a speech as formal and momentous as the January 12 address just what the Administration has in mind.

Pearson: Who Decides?

MR. DULLES, in a speech in New York on January 12, which may turn out to be one of the most important of our times, announced, as a basic principle for defense action, a Washington decision, and I quote from his speech, ". . . to depend principally upon a great capacity to retaliate, instantly, by means, and at places of our own choosing."

The key words in this sentence, as I see it, are "instantly," "means," and "our."

This statement has aroused intense interest in this country. That interest is hardly less among your friends in other countries; especially, I suspect, among those whose territories are only a few hundred miles from those great Communist armies who could also act as an instrument of retaliation.

From our point of view it is important that the "our" in the sentence I have quoted, means those who have agreed together, particularly in NATO, to work together and by collective action to prevent war or, if that should fail, to win it. Indeed, in an earlier part of his speech, Mr. Dulles himself gave that interpretation, when he said: "The way to deter aggression is for the *free community* to be willing and able to respond vigorously at places and with means of *its* own choosing."

But what effect will that have on the other words "instantly" and "means"?

Collective action means collective consultation, but that must be reconciled with the necessity for swift and effective action. This reconciliation is not easy, *within* a single government. It is even less easy between governments.

It seems clear, in any event, that this "new defense policy" makes diplomacy not less but even more important; especially when we contemplate the "means"—including atomic—that may have to be used, the occasions when this should be done, and the effect —explosive possibly in more respects than one—it may have.

Diplomacy includes two things: first, the effort, patient and persistent, to settle differences with those whom we rightly fear, though at times, with a fear that seems to freeze us into diplomatic immobility or fire us into something almost like panic. Secondly, there is the other kind of diplomacy, now also more important than ever: the search for agreement between friends on policies and tactics and timing, so that "our choosing" will mean an agreed collective decision, without prejudicing speedy and effective action in an emergency. Indeed, such agreement, after consultation and discussion, is to put it bluntly, necessary, if this policy of preventing aggression by the threat of immediate and overwhelming devastation, is to work collectively.

The stakes are now higher than ever, and the necessity for co-operation and consultation greater than ever. It is essential that we work together in any new defense policy—as we have already been working together—if the great coalition which we have formed for peace is not to be replaced by an entrenched continentalism which, I can assure you, makes no great appeal to your Northern neighbor as the best way to prevent war or defeat aggression, and which is not likely to provide a solid basis for good United States-Canadian relations.

Lester Pearson, from an address to the National Press Club, March 15, 1954.

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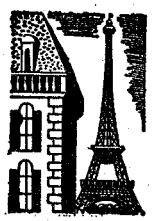
Paris Dispatch: KOREA, INDO-CHINA PAIRED

The French welcome the Geneva conference as the best news they have had in a long time. The general opinion is that a great victory has been won both for the methods of French diplomacy and for the goals of French policy. The Geneva conference for the first time establishes a formal link between two sets of problems previously considered separately. The French have long argued that the Korean and Indo-Chinese situations were naturally paired. Most of them have also insisted on the connection between the tragic effects of the war in Indo-China and the reluctance to ratify the European Defense Community.

Since nearly all sections of French public opinion are optimistic about the Geneva meeting, it might seem that what is excellent news for France is also good news for the whole free world. After all, anything that can make the French less gloomy, neutralist and defeatist, anything that can make them seem to agree among themselves, should be welcome to the whole free world. Sad to relate, however, this conclusion is true only in theory. For, in fact, the French continue to be divided among themselves about what the forthcoming conference means and on what it should and can possibly accomplish.

Some believe that the mere fact of the conference—the willingness of the Big Four to continue talking about the Far East despite their failure to get together about Europe at Berlin—is, as the *London Times* puts it, "the first real sign of an armistice in the Cold War." This is the attitude of the real or crypto-neutralists. But other Frenchmen are equally convinced that nothing more is proved than a tactical willingness to shift the terrain of an even-more determined and even-more unified Western effort in the Cold War to the kind of diplomacy that will provide propaganda and psychological warfare arguments better than those of the Soviets.



The reaction of some of the supporters of the EDC is the hope that Geneva will provide a new variant of Lenin's famous old formula that the road to Paris lies through Peking. Negotiations with the Chinese, they think, may stop the flow of supplies southward to the Viet-Minh; and with a markedly improved military situation, the task of getting the EDC through the National Assembly will be facilitated.

But there seems little doubt that, thanks to the Geneva meeting, action by the Palais Bourbon on the treaty will be further postponed at least until May. And the opponents of the ratification say that the problem is no longer merely to reduce or even stop Chinese help to the Viet-Minh; it is to achieve an armistice in the war, and they are pleased by the Geneva tie between Korea and Indo-China because they take it as implying the willingness both of the Americans and the British to accept in Indo-China what they have accepted in Korea.

Vice Premier Paul Reynaud is one of the leaders of the faction which believes that China holds the key to the situation. Defense Minister René Pleven said during his tour of Indo-China that Peking was the major factor in war or peace in Asia. But, even granting that Mao Tse-tung might be willing to consider a deal of some sort (which is highly doubtful), there is nothing in the military situation which would allow any French official to dare repeat Secretary Wilson's statement that victory in the war is possible and probable. General Navarre has said that no decisive military defeat of the enemy can be won during the course of at least a year.

Those Frenchmen who believe that nothing short of armistice negotiations will now suffice—and men like Finance Minister Edgar Faure are moving into their camp—consider it a grave mistake to regard Ho Chi Minh as General Markos was regarded during the war in Northern Greece. They think that he stands in much the same relationship of relative independence to Mao Tse-tung as the head of Communist China does to Georgi Malenkov. Hence Mao Tse-tung must be not only willing but able to intercede.

And anyway, he will demand a price —a very high one—for an effort. The proceedings at the Berlin Conference, as reported by those who participated behind closed doors, suggest very strongly that the Chinese Communist leader will want official recognition by the US. This, the same sources say, must surely have been plain to Secretary Dulles. Then, in view of the attitude of the Eisenhower Administration and also of large sections of US public opinion against such a step, why did Dulles consent to the Geneva meeting?

The clue to what Dulles did must be found in Washington—in what is more and more appearing to the Western Europeans as a serious struggle within the Eisenhower Administration, in terms of which Geneva and Indo-China may turn out to be the test case. Admiral Radford and the Pentagon want more and better war in Indo-China, according to all reports arriving here from Washington. If Dulles wants to deal with Mao Tse-tung even to the limited extent of achieving less—though better (for our side)—war in that area, which view will prevail? And above all, what does the Dulles speech of January 12—only an annihilatory war-to-end-all wars by retaliation, and no little wars to stop the creeping advance of Communism before and during the creeping—really mean in terms of the United States New Look?

Such questions will have to be answered, either before the Geneva meeting or at least before the French Assembly takes a decision on the EDC as grave for France as the vote of the Vichy National Assembly in June, 1940, or the vote of the US Senate on the League of Nations in 1919. The Russians can very well afford to sit back and wait.

The Red Army which refused to allow Malenkov to remove a single Russian soldier from Eastern Germany or the satellite lands of Europe is pleasantly aware that not a single Russian soldier is at present involved (at least officially) in the Indo-Chinese imbroglio. The Kremlin hates Chiang Kai-shek and Syngman Rhee but it probably doesn't love either Mao Tse-tung or Ho Chi Minh enough to be displeased by letting the French and the Americans set them against each other.

Paris FRANK GORRELL

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GERALD W. JOHNSON: *The Superficial Aspect*

IF YOU TELL ME that the anthropophagi are given to celebrating blushful orgiastic rites by the light of each recurring full moon I may be impressed by your learning and missionary zeal, for I am not personally acquainted with any anthropophagi; but if you tell me that Joe Doakes, who lives three doors down the block, stages a *Walpurgisnacht* on his premises once a month, I shall be impressed only by your quality as a monumental liar, for I am very well acquainted with Joe and know him for a virtuous man. Besides, he couldn't put on a Witches' Sabbath without arousing the neighborhood, and it has never happened.

This simple fact has been overlooked, it seems to me, by the exorcists who have turned their incantations to the avowed purpose of casting Communist devils out of the army. In recent years the army has come to live in our block. That is to say, nowadays practically everybody has (a) been in the army himself, or (b) has a son, brother, nephew, cousin or the like in the army now, or (c) knows some young fellow who is going into the army next month. The army is no more mysterious than the Doakes family, so tales told about it must have some plausibility to be accepted.

This was not true of the earlier targets chosen by the Chaldeans and soothsayers. Millions of Americans regard the State Department as a dim repository of arcana whose quality is unknown to the public. It was quite thinkable that dreadful heresies might harbor there. The universities, too, and especially their research laboratories, are far removed from the life of the streets, and how could the average man be sure that no devil-worship was being conducted behind their walls? Even the reverend clergy by reason of the metaphysical element in their calling are set apart a little way and the average layman claims no comprehensive knowledge of their ways of thinking.

But when it comes to Lucille Ball and the army —bosh, don't tell us that they are given to antinomian practices. We know Lucy, and if she did join the Communist Party when she was a giddy schoolgirl, what of it? We know the army—why, Tom and Bill just got back from Korea last Christmas, Cousin Dick is a Quartermaster Captain somewhere down in Texas right now, and young Bobby who lives next door, will be inducted soon—and we can assess pretty accurately the evidence that it is riddled with Communism.

Charges against one professor in Harvard might impress us because we don't know the relative importance of professors in Harvard; but charges against one captain in the dental corps don't impress us, because we do know the relative importance of dental officers in military life. Soldiers and ex-soldiers know that if every dentist in the army was a Communist, they couldn't do much damage; and soldiers and ex-soldiers are a large proportion of the population now.

Successful thaumaturgists are those who best maintain the element of mystery in their operations. Sorcerers who undertake to work with familiar things in broad daylight usually evoke more ridicule than awe, and an army dentist is familiar to millions of voters. It is just not possible to erect him into an impressive likeness of Apollyon, the Foul Fiend.

This, I believe, rather than any sudden conversion to militarism, accounts for the American public's curious and unexpected reaction to the assault on the army. It is not that we are filled with passionate affection for the army, but merely that we know it. We have all been in it, or if not actually in it, yet very close to it through a son, or brother, or husband, or intimate friend who wears or has worn the uniform. The army is something that we can judge with assurance; on it we do not have to take the word of learned specialists.

So when it appears that the case against the army rests upon the alleged misconduct of one dental captain—and he, by the way, not a proved Communist, but quite possibly no more than a fellow who wanted to get out of the service and played a smart game to hasten his discharge—well, it takes no Philadelphia lawyer to show us the flimsiness of the evidence. For the army lives in our block, not in mysterious realms, like the State Department, or in incomprehensible equations, like the scientists, nor among the angels, like the clergy. You can't tell us a thing about the army.

Will we, then, draw the inference that some of these other crusades may be as ridiculous? Upon the answer to that question hangs the future power and prosperity of the necromancers.

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BOOKS & COMMENT

Can Uniting Love Never Unite Mankind?

by Paul Tillich

POWER is never only physical force; it is also the power of symbol and ideas in which the life of a social group expresses itself.

In an indistinguishable unity of power drive and vocational consciousness the Romans subjected the Mediterranean world to the Roman law and the order of the Roman empire, based on this law. In the same way, Alexander brought Greek culture to nations which were subjected in terms of both arms and language. Considering the fact that these two imperial drives in their amalgamation created the condition and frame of the spread of Christianity, we cannot say that their vocational consciousness was wrong. The same must be said about the medieval German Empire, which, on the basis of the power drives of the Germanic tribes and the vocational consciousness of the Germanic kings, created the structure for the united Christian body with all the glory of medieval religion and culture.

After the end of the Middle Ages the European nations combined power drives with vocational consciousness of different character. Spain's world conquering imperialism was united with the fanatical belief in being the divine tool of the Counter-Reformation. England's vocational consciousness was rooted partly in the Calvinistic idea of world politics for the preservation of pure Christianity, partly in a Christian-humanistic feeling of responsibility for the colonial countries and for a solid balance of power between the civilized nations. This was inseparably united with an economic and political power drive and produced the largest Empire of all times and almost eighty years of European peace.

The vocational consciousness of France was based on its cultural superiority in the seventeenth and eighteenth centuries. Modern Germany was under the impact of the so-called *Real-Politik,* without a vocational consciousness. Her ideology was the struggle for *Lebensraum,* partly in competition with the colonial nations and therefore in conflict with them. Hitler's use of an obviously absurd vocational idea, that of Nordic blood, was artificially imposed and only reluctantly accepted, because there was no genuine vocational symbol.

Today two great imperialistic systems fight with each other in terms of both force and vocational consciousness: Russia and America. The Russian vocational consciousness was based on its religious feeling that it had a mission towards the West, namely, to save the disintegrating Western civilization through Eastern mystical Christianity. This was the claim of the Slavophile movement in the nineteenth century.

Present-day Russia has a similar missionary consciousness towards the West and at the same time towards the Far East. Her power drive, which in the official counter-propaganda appears as the desire for world domination, is not understandable without her fanatical vocational consciousness, which must be compared with that of all other imperialistic movements. America's vocational consciousness has been called "the American dream," namely to establish the earthly form of the Kingdom of God by a new beginning. The old forms of oppressive power were left behind and a new start was made. In the Constitution and the living democracy (both are quasi-religious concepts in the United States) the will is embodied to actualize what is felt as the American vocation. This was originally meant for America alone. Now it is meant explicitly for one-half of the world and implicitly for the whole world. The actual power drive working together with this vocational feeling is still rather limited. But the historic situation increases it more and more; it is already justified to speak of half-conscious American imperialism. . . .

The present decrease in national sovereignty, the rise of embracing power groups, and the split of the world into two all-embracing systems of political power raises naturally the problem of a united mankind. The presupposition for a political world unity is the presence of a spiritual unity expressed in symbols and myths. Nothing like this exists today. And before it does exist a world state has no power to create silent acknowledgement.

It may well be that after the period of world history which is characterized by the rise of *one* power structure to universal power, with a minimum of suppression, the law and the justice and the uniting love which are embodied in this power will become the universal power of mankind. But even then the kingdom of God has not come upon us. For even then disintegration and revolution are not excluded. New centers of power may appear, first underground, then openly, driving towards separation from or towards radical transformation of the whole. They may develop a vocational conscience of their own. Then the power struggle starts again and the period of the fulfilled world empire will be as limited as the Augustan period of peace was.

Can uniting love never unite mankind? Can mankind never become as a whole a structure of power and a source of universal justice?

It is the merit of pacifism that, in spite of its theological shortcomings, it has kept this question alive in modern Christianity. Without it the Churches probably would have forgotten the torturing seriousness of any religious affirmation of war. On the other hand, pacifism has usually restricted a much larger problem of human existence to the question of war. But there are other questions of equal seriousness in the same sphere. One of them is the question of armed conflicts within a power group, always going on potentially in the use of police and armed forces for the preservation of order, sometimes coming into the open in revolutionary wars. If successful, they are later on called "glorious revolutions." Does the union of mankind mean that not only national but also revolutionary wars are excluded? And if so, has the dynamics of life come to an end; and does this mean that life itself has come to an end?

One can ask the same question with respect to the dynamics of the economic

This essay is excerpted from Dr. Tillich's new book, Love, Power and Justice *(Oxford; $2.50).*

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life. Even in a static society such as that of the Middle Ages, the economic dynamics were important and had tremendous historical consequences. Should the economic dynamics be stopped and a static world system of production and consumption be introduced? If this were so the whole technical process would also have to be stopped, life in most realms would have to be organized in ever-repeated processes. Every disturbance would have to be avoided. Again the dynamics of life and with it life itself would have come to an end.

Let us assume for a moment that this were possible. Under an unchangeable central authority all encounters of power with power are regulated. Nothing is risked, everything decided. Life has ceased to transcend itself. Creativity has come to an end. The history of man would be finished, post-history would have started. Mankind would be a flock of blessed animals without dissatisfaction, without drive into the future. The horrors and sufferings of the historical period would be remembered as the dark ages of mankind. And then it might happen that one or the other of these blessed men would feel a longing for these past ages, their misery and their greatness, and would force a new beginning of history upon the rest.

Partial Truth

M. Francois Bedel is a practised hand among French authors, a little fancy in his outlook but with a full score of books to his credit—*romans, essais, contes, histoires,* and can take one's choice. His latest book which is called *Voyage de Jérôme aux Etats-Unis* might be called a "realistic satire" about the United States. In reporting to the citizens of the French Republic how things fare in the vaster Republic across the sea, M. Bedel stands in a distinguished line of French writers stretching from Lafayette and de Toqueville to Mlle. de Beauvoir. On reading his *Jérôme* I thought that were I an American, I should have been interested and depressed by it; interested because M. Bedel touches on such worrying American phenomena as lack of aesthetic sense or cultural conformity, and disappointed because the flat unoriginality of his satire is revealing of the superficiality of so much European thought about America.

In terms of plot, M. Bedel sends his French hero, Jérôme, across the Atlantic "to discover the world of tomorrow," and he also uses the well-worn device whereby Jérôme pretends to admire whatever in American life is mass-produced, synthetic or over-organized, and, tongue in cheek, to contrast it favorably with its French equivalent—canned food at the American drug-store counter with French restaurant cooking, the landscape of New Jersey with Jérôme's beloved Touraine, New York skyscrapers with tumbledown French classic buildings, or American pulp magazines with the old-fashioned reading of serious books in which Frenchmen still indulge.

As M. Bedel sees it, a typical New York taxi driver will talk to his fare about his analyst; American men have no interest but dollars, except perhaps for liquor; American women dress, look and talk alike; American co-ed students pass by organized time-table from lecture hall to petting party; Negroes are the most interesting people in the United States because many of them have not yet been fully organized into the American way of life and can therefore still enjoy a sense of idleness and repose.

There is usually a grain of truth in the points M. Bedel makes, and often a good deal more. Yet, taken as a whole, the satire in *Jérôme* is so obvious, repetitive and streaked with malice that in London the *Times Literary Supplement* has been moved to devote a lengthy editorial to the question why French intellectuals of today should be venting their spleen against the United States in so venomous a manner.

The answer is complex, but one point should be made. If these French writers do not see the real America, they seem also without a clear picture of France and Western Europe of today, especially in relation to America. After all, American society as it grew always represented some aspects of the European dream: the dream that the petty frontiers which had caused so many European wars should be abolished and a single nation stretch across a continent, while the harsh class differences which disfigured Europe should equally wither in a society of free equals. This European dream has been partly realized in America, but as always not quite as thought, and, as always, at a price, namely of conformity and commercialized culture.

It is perfectly fair game for a French writer to satirize this culture. Still, such satire should be implicitly aware of the opposite factor, namely life in post-war Europe. If, as M. Bedel implies, much European and above all such French life is still distinguished by individualism in literature, art and leisure, and the cult of witty conversation and sophisticated food and wine, there is also the other side: European fatalism, the persistence of the old frontiers and national animosities, the dreary staleness of French and German argument over the Saar or Italian and Yugoslav argument over Trieste. So you have the pictures of Europe and America with their complementary faults—which do you choose? Many French writers, it is evident, do not want any choice. Disliking the United States even for its virtues such as the lack of internal frontiers, they seem caught within an entirely Europe-centered outlook whereby — say — racial riots in Florida loom as evidence of American barbarism while street riots between Slavs and Italians in Trieste, because motivated by European nationalism, are somehow regarded as part of "history."

Such a Europe-centered attitude is understandable, but it is also more and more difficult to maintain. But for certain French intellectuals, harassed by recent French history, it seems vital that the attitude *should* be maintained, and from this defiance springs much of the bitterness of their attacks against the United States. In British literary circles there seems to be less need for such defiance. The bond of common language is no doubt one cause of the difference. Another may be seen in the fact that the British, like the Americans but unlike the French, the Italians or the Germans, did not during the war experience defeat and foreign occupation. Hence British self-esteem has not yet been undermined. This makes it possible for the British to laugh at themselves even while laughing a little jealously at such powerful newcomers to world dominance as the Americans. To take an outstanding example, in his superb little satire, *The Loved One*, Evelyn Waugh directed his shafts equally against the grotesque aspects of Californian culture and the obsolescent insularity of the Hollywood English.

It is this gift of laughing at themselves even when abroad which such French writers as Mlle. de Beauvoir or M. Bedel seem to have lost; and one must seek the reasons in the frustrations and blind alleys of French history over the last four decades. T. R. FYVEL

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Europe and US

IF ONLY because James Burnham has a following among Asia-firsters and isolationists, it is useful to have him declare unequivocally at the outset that "there is no surgeon skilled enough to cut Europe and us apart. If Europe dies, then we will not have long to live. If we are to live and grow, then Europe must find new life and forms of growth."

What Europe Thinks of America, edited by James Burnham (John Day; $3.50).

And since Burnham has an even larger public among America-firsters who have little doubt about anti-Communist Europe's acceptance of crusading liberationism, it is welcome to have this book conclude on a note of reservation: "In the middle of the twentieth century, nothing will stop the United States from dominating, but no one yet knows whether it will be able to lead."

This sentence sums up the essence of what most Western Europeans think of the United States. Not surprisingly it comes from the only one of the nine European writers chosen by the editor who has a really large and influential following: Raymond Aron, the brilliant French commentator, who though closely linked with the Gaullist high command, writes regularly for the *Figaro* of Paris, the newspaper of the classical Right and of big business.

The central fact of the "dialogue Europe-America" is that Europe is dependent and that America dominates. The choice between Russia and America is not between two dominations: Russia can in fact neither dominate nor lead; it can only foment and exploit real or fancied evidences of the evils of American domination in order to prevent or pervert American leadership. Hence, the real issue goes beyond the *whether* of American leadership; it is the *where*—the goals of American policy.

Burnham tries to hide this fact by working on three assumptions, all of them highly questionable: that because of some occult "pressures and influences, the normal distortion in the selective serving of European writers and writing (to Americans) has for several decades been to the Left"; that the purpose of all criticism by European liberals and non-Communists of the Left has been "to injure and attack"; and that only true friends of his can be true friends of America, loyal, objective and constructively frank in their criticism.

"It is dangerous as well as absurd," he says, "to take Bevan and Sartre, Kingsley Martin and Saragat, not to mention Duclos and Togliatti, as the only voices to speak for Europe."

On the other hand, it is absurd, though not particularly dangerous, to offer, in this collection, as the authentic voices of Europe nine men who, with the exception of Aron, admittedly little known in America, are not much better known in Europe. They have been chosen, not as representative, average, or presenting a fair sample of Western European opinion, but among the "several Europes" as the spokesmen of the one in which we should put our stake. For example, Jules Monnerot, an extremist Gaullist, is a Burnhamite liberationist *à outrance.* But after saying that the goal to strive for is "to *impose* a true negotiation" on the Russians, changing the status quo in Eastern Europe, he is honest enough to warn that "there is no danger that you will read or hear in France what I have just written." And when he says that Russian withdrawal can be obtained without war, he admits that this view is "contrary to most French political commentators." How, then, is the title of this book justified?

Vittorio Zincone, an Italian editor, who "began his break with Fascism in 1940 when he was discharged from a newspaper job for allowing an article against Mussolini to be published," (therefore, a free world democrat from way back) says that "according to Europeans of all tendencies, Americans are not adequately aware that the struggle against (or for) Communism is a war to the death, a war that overrides and eliminates every other moral and political consideration." How much more aware than McCarthy *et al* can we become?

A Ukrainian nationalist foresees the doom of the Soviets because "Russian society is based on populist mentality" and a Polish exile thinks the time has come for the United States "to define a future policy of liberation in full detail." An obscure Belgian, who "before and after the war represented a number of American business interests in Europe" thinks American policy should avoid liberationism from the French in North America. An Italian novelist believes "Union with American civilization should give Europe a breath of air" because "European intelligence is undergoing progressive asphyxiation . . . Europeans are incurably narcissistic, victims of their incurable vanity. Europe is a mixture of absurdity, injustice and lack of creative imagination." A young English imperialist thinks America should accept world leadership, backed by atomic supremacy; and not fail again to take "the opportunity to raise China from the chaos of 100 years of civil war"—that is, from the time it first resisted the British imperialists.

In the whole book, the only sober, useful common sense comes from Aron's excellent presentation of an examination, from the conservative point of view, the United States as the world's dominant economy. Fortunately, this essay is also the only one likely to influence a large European public. As for the American public, Burnham's Europeans aren't likely to win many readers away from the dangerous writers of the non-Communist Left.

FRANK GORRELL

Mind's Supremacy

MR. HIGHET'S BOOK is inspired by the theme of Columbia University's bicentennial theme, "Man's right to knowledge and the free use thereof." It is a lyrical account of the triumphs of culture and the relation of man's intellectual faculties to those triumphs. Taken as an appreciation of the wonders of the human spirit it is an admirable essay. But there is nowhere a considered discussion of the relation of some other aspects of the human spirit, man's courage for instance, and the more specifically "rational faculties." And in considering man's "reason" there is no debate on whether it is primarily the function of education to discipline the mind or to furnish it with knowledge.

Man's Unconquerable Mind by Gilbert Highet (Columbia; $2.75).

The identification of all the qualities of the human spirit with "mind" prompts Mr. Highet to give a very strong preference to the Greek classical over the Hebraic components of our Western civilization. He aggravates this error by attributing to the prophets of Israel a reliance upon "revelation and

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authority," thus equating their attitudes with later authoritarian conceptions of the Christian faith. The preference for the classical component of our culture and his identification of its virtue with reason leaves unexplained why the Greeks could not rise above the political achievement of their city-state system, while the Romans succeeded in building an empire. It also leaves unexplained why the Graeco-Roman civilization perished, though Mr. Highet seeks to rescue some meaning from this mystery by the very dubious suggestion that the Greek part of the empire outlasted the Latin part by a thousand years because it was more interested in "thought" than the Latins.

In dealing with future prospects, Mr. Highet envisages the possibility that civilization may perish, either because the interests of the mind would be submerged by "silly" preoccupations with trivia or that the mind would be suppressed by the totalitarian political faiths which have become the bane of our contemporary existence. He does not consider the possibility of a technically efficient civilization, in possession of all knowledge for the conquest of nature and free enough to consider all possibilities open to it, might nevertheless prove itself as inadequate for the solution of the problems of the global community which confront us, as the Greeks were inadequate for their communal problem of the day. We not only face the same problem in larger dimensions but the stakes are much higher; for failure might mean atomic destruction.

We must no doubt resist every effort to restrain the human mind and bend every effort to enlarge the scope of its knowledge. But human history is more complex and more tragic than is suggested in this excellent panegyric on the glories of the intellect of man.

REINHOLD NIEBUHR

A Late Edwardian

THE QUITE considerable reputation Desmond MacCarthy has posthumously been awarded by many American AIRs (his abbreviation for the Average Intelligent Reader) depends in a large degree upon the same need that has sent American readers back to reading Anthony Trollope avidly. I do not imply that there is a revival of MacCarthy's essays as there is of Trollope's novels. Instead, the authors have in common the same flavor of wisdom, of artful praise, and of engaging manner in understanding humanity; and they display their talents similarly in graceful and delightful model prose.

It could be that some of Trollope has rubbed off onto MacCarthy, whose favorite English novelist was this chronicler of Parliament, of the Church, and of English Society, and of their manners thereunto. But that is another discussion. MacCarthy has another very considerable appeal to American readers: he is the latest of the Edwardians; and the last one to have been brought to our attention of those famous literary editors of the weekly journals of opinion published in English. He is even a spectacular one because his modest silent ways lack spectacle entirely.

Humanities, by Desmond MacCarthy (Oxford; $3.50).

This Anglo-Irish essayist was drama critic for *The New Statesman* (he was put there by Bernard Shaw himself); literary critic for *The Speaker* (this became *The Nation*); literary editor of *The New Statesman,* which merged with *The Nation;* columnist for *The Sunday Times;* and one-time Dublin correspondent for the *Manchester Guardian.* It is conceivable that Desmond MacCarthy is fascinating mainly because he was born of and bred in that very concept of journalism which gave birth to the liberal weeklies in England and in America, of which in America in order of their seniority there are only *The Nation* and the *New Republic* left. The many editors of the weekly liberal journals not only observed and partook much of, but helped to shape much of the social, the political, the artistic and the literary patterns of the past eight decades. I have omitted mention of *the economic* patterns and the omission was deliberate, for the economic patterns were to be hewn by more pragmatic and less ideal and sterner pressures. And the proof is in the many mergers of the English weekly journals and the economic plight which most American weekly journals now endure.

In England at the height, and at the push over the crest, of this special world of opinion, ferment, writing and publication, Desmond MacCarthy was unique among his contemporary peers—the literary editors in England and America. For one thing his range was wider than Edmund Wilson's, to name one of American peer—I mean simply that he

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wrote on many more subjects. He wrote on them well, with charm ("Apprenticeship") and with wit ("Somerset Maugham and Noel Coward") and with grace ("Chekhov"). In some of the other essays in *Humanities*, as in the one on the very snarled Anglo-Irish problem—"Reflections of An Anglo-Irishman, 1920"—he wrote with considerable depth and passion and order.

> English people are aware that the Sinn Feiner is a protectionist commercially, but they are not aware of the extent to which he is a protectionist spiritually. They know he is politically a separatist, but they do not understand that political separation is to him only a means to fostering a new yet "old civilization. For him the "Irish Question" is not merely the problem how to get the English out of Ireland or how to keep English goods out of Irish markets, but how to eradicate English culture from Irish minds. If he could, he would pump British blood out of Irish veins . . . The Sinn Feiner is therefore indifferent to all the advantages for Ireland of a special bond between herself and England; more than that, he dreads and detests them.

His short story, *A Mark on the Shutter*, has these qualities of depth, passion, and order; but it brings more brightly to light a quality of an abiding moral sense, which lingers everywhere among his pages. Indeed, MacCarthy generally wrote thus of humanity. There are those in the higher reaches of modern criticism who write this about literature and art. Because his criticism was not established upon philosophical systems as those, MacCarthy did not serve as successfully in his criticism of literature and of the allied arts. This, I am sure, he would admit.

As a literary critic and as a literary editor he seemed rather to favor the foreign contemporaries, Ibsen and Chekhov; or the older generation, Trollope, Tolstoy, Swinburne or DeQuincey. At least his criticism of them has more insight, exercises more judgment and for the most part held the most interest for me. But again I found that it was "humanity" he looked into—that of the character Vanya in Chekhov's play, that of Mr. Gielgud's portrayal of *Richard of Bordeaux*, or that of Tolstoy. MacCarthy most always seemed to focus on judging the artist either in a direct almost biographical form of criticism, or in an indirect attribution through a character to the author.

This oversimplificaton, and I hope not unfairly, points to an important fault. He worked the safer ground of the foreign contemporary literature (he may even have depended solely on English translations) or he worked the hallowed ground of the established literary past. To have been the literary editor of one of the leading English weekly journals for those two great decades that saw the seniors—Hardy, James, Yeats and E. M. Forester; the juniors—Joyce, T. S. Eliot, Virginia Woolf, Aldous Huxley and Herbert Read; and the very young—W. H. Auden, Stephen Spender, Elizabeth Bowen and Dylan Thomas was to have been in the chair at a time propitious for discovery and selection and the encouraging interpretation of contemporary authors to their contemporary readers. There were editors performing this role—Edmund Wilson and Malcolm Cowley (the *New Republic*), Marianne Moore (*The Dial*) and R. P. Blackmur (*Hound and Horn*).

MacCarthy's essays written in 1929 and 1933 on the critical writings of T. S. Eliot, though very good and in model prose, do not match in excellence or value those done then by Wilson, or later by Blackmur and W. H. Auden. However, as in most all of MacCarthy's thirty essays, one is stopped by this kind of honesty:

> I was forced . . . to consider afresh what I thought about poets and the criteria which at different times have been applied to poetry.

To judge Desmond MacCarthy, in all the kindness he most surely deserves but in a comparison with his peers, is to point out these limitations. This too, I feel sure, he would also admit. But the rest is in the pleasure of reading the last of the Edwardian familiar and casual essayists. ROBERT RICHMAN

Notes on the Critics

PAUL TILLICH is Professor of Philosophical Theology at the Union Theological Seminary. T. R. FYVEL is a British publisher and a frequent contributor to American periodicals. FRANK GORRELL is the *NR*'s European correspondent. REINHOLD NIEBUHR is Professor of Applied Christianity at the Union Theological Seminary. His newest book is *Christian Realism and Political Problems*. ROBERT RICHMAN is the editor of *The Arts at Mid-Century*, a forthcoming book of *NR* articles.

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CORRESPONDENCE

►Army Report on the Russians

I do not think the report (Army Intelligence Report on Siberia, *NR*, March 8) is a "fascinating and important" account of life behind the Iron Curtain. Let me illustrate: in the paragraph quoted on the top of page 7, the sentence appears: *"Instead, the Soviet people evinced a solidarity rivaled only by the British. . . . The scale and tempo of the German defeat was due in good part to their inability to assess Soviet public opinion. . . ."* The first part of the quote is a flat lie. The second is correct, if it applies to German military policy as laid down by Hitler and applied by the troops, but it also is false if it applies to the Nazis' expectations. The Soviet front collapsed at the Nazi attack, there was universal rejoicing at the Nazi advance, effective resistance only began when (1) the Nazis, as ideology and not their own self-interest dictated, treated the Russians like beasts and refused to abolish the collective farm; (2) Stalin, frightened silly, hastily adopted a fake nationalist and democratic line.

Let me give other sentences (from the Army Report): *"The primary Soviet attitude to the government is one of acceptance, generally without mental reservations. . . . Although he resents the MVD system, the average man feels that there is no threat to his own security, and is inclined to applaud the diligence of the security agencies,"* or, *"The Russian, however, is habituated to all aspects of his environment. . . . The people in general, like the people of other low-income countries, have long been adjusted to their living conditions. . . . They enjoy family life and social activities within their circle of friends. . . ."* If one cares to read the testimony of refugees, to take a look at the tragedy of our repatriation of millions of unwilling and innocent citizens into Soviet hands in 1946, to analyze what the effect of tyranny is usually on human beings as distinguished from the Report's "mysterious Russian," one may actually learn what life in the Soviet Union is like.

McCarthy may well be wrong that Moscow gold somehow is responsible for it; but that does not make the Army Report right. In my opinion these illusions about the Soviet people are very widespread. They are spread by some people who rightly fear a hydrogen-bomb war, and conclude from that that the Soviet regime is really supported by the people, who (I agree to this) are not unfriendly to us. They are spread by some well-meaning idiots. And they are spread by Soviet sympathizers.

There are, of course, right things in the Army Report. The section "appealing to the Russians" has some truth. But the suggestion that the Soviet worker is most worried about the bond subscription rather than the fact that he may be sent (by published Soviet law) to a forced labor camp for being 20 minutes late to work, is simply puerile.

It is true that the Russians are susceptible to political ideas (reconcile this with the statement on being concerned only with "daily life," if you can). The fact that the overwhelming peasant majority wants an end to the Soviet system receives one glancing sentence. The *"freedom from arbitrary arrest"* is stigmatized as a *"relatively abstract"* right.

The non-Communist Left must decide whether to be the anti-Communist Left or not. Being on the anti-Communist Left does not mean approving anything at all about McCarthy (though he is occasionally right, which hurts), or abandoning liberal aims. It means, I should think, taking seriously enough the liberal attachment to political liberty and economic security to realize that the area of the world where these are violated by monstrous tyranny is the Soviet orbit, and that it ought to be the liberals' wish (if not capability) to see the tyranny overthrown. It means that one should realize that McCarthy has no divisions (nor in my opinion is he likely to) but that Malenkov has hundreds, and hydrogen bombs as well. Above all, that McCarthy will never win any intellectuals anywhere, but Malenkov has won hundreds of thousands and is continuing to win more.

DONALD TREADGOLD

Seattle, Washington

. . .

. . . Though somewhat naïve in parts, as you intimated, much of it squares with my impressions gathered from reading translations of the Soviet press in years 1950-1953. . . .

BENJAMIN BURACK

Chicago, Illinois

►TRB Too Hopeful

In your March 1 issue, T.R.B. in his joy that Professor Alvin Hansen's "heresy" that the large federal debt will not ruin the country has now become a "commonplace of economics—known even to many Senators," sounds too hopeful. The *N. Y. Times*, apparently, still holds to the view of June 4, 1953, that the "nation slipped into the red in 1931" and is living "beyond its means" until the federal debt is paid off.

T.R.B. says that "Ike pulled the rug out from a lot of Republicans when he agreed, simply, that the situation is becoming more serious." This did not stop Senator Ferguson from saying that "Democratic talk of a business recession is hurting the country and ought to be stopped." One wonders whether the Senator also means that someone should have clamped down on the National City Bank, hardly Democratic, for saying in its February Monthly Letter on Business and Economic Conditions, that "since last summer, seasonal factors considered, there has been a measurable recession in production and in employment opportunities. Expectations of further contraction have been widespread."

SIDNEY KORETZ

Washington, D. C.

►Defense of de Beauvoir

To criticize a book unfavorably is one thing. For unavowed reasons to ply one's toy tomahawk on the author's skull is another—and less legitimate. Has not Leslie A. Fiedler been guilty of this in his animadversions against Simone de Beauvoir and her novel, *She Came to Stay* (*NR*, March 15)? I submit that he patently and most pettily has, and I wish to register a protest. Madame de Beauvoir herself will scarcely trouble to do so. But your readers might appreciate knowing that her American travel-diary, also recently published here, broadly hints that her personal contacts with the *Partisan Review* bunch, of whom Fiedler is one, revealed them to her as insufferable.

She Came to Stay is a strikingly successful and original book. Predating by two years Sartre's use of the technique in his *Age of Reason*, it substitutes for

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the traditional French *roman d'analyse* (think of *La Princesse de Clèves, Adolphe, A la recherche du temps perdu*), a form in which nothing is analyzed, categorized and predigested for the reader directly or, on his behalf, by an analytically-minded ego-character. Everything is presented from the viewpoint of one personage or another (only one per chapter or section), and not as it reveals itself to him on reflections but in its living, unrounded, possibly unsatisfying or all too crass immediacy. Of course, since the characters are not Hemingwayian neo-primitives, they do reflect on their past experiences and their future, but these reflections too are given to us unmediated. Conversation predominates, however, conversation which shows the characters impinging on each other while striving each to attain his own goal. . . . It is highly unlikely to occur to the uninstructed reader that *She Came to Stay* is weighed down by any philosophical thesis, for it is a novel which reads like a novel. It has, consequently, a central theme, and it incarnates, as your reviewer has indicated, a clearly conceived psychological interpretation of human actions. But the range of applicability of this view is much broader than he would concede. It might even be used to explain Mr. Fiedler's own whoops and cavortings round his victim.

KENNETH DOUGLAS

New Haven, Connecticut

►A Reader Proposes

I submit the idea that you suggest to your readers who feel they can afford to do so, that they pay ten dollars for a subscription. Those who wish to pay seven dollars still may do so. You will be surprised at the great number of your friends.

Inclosed is my subscription of ten dollars for one year as a starter.

H. C. ESCH

Cherryvale, Kansas

► Investigating Committee Reform

While I agree emphatically with your opinions of the current inquisitions (*NR*, March 15), it is time that someone attempted to point out broader problems involved. . . .

The underlying purpose of the investigation is to "expose," or as it is usually gently stated, to "inform public opinion." The best verification I can recommend is the *New Republic's* coverage of the Teapot Dome and Justice Department investigations during the Harding Administration. (Was not Gaston B. Means the Louis Budenz or Whittaker Chambers of his era?)

The legalistic approach, designed to establish due process at public hearings, is unsound. With all due respect to distinguished liberals Morse and Lehman, the adoption of their proposals would unreasonably obstruct all investigations. Operating under such rules, the Harding investigations could not have been nearly as effective. . . .

FRED C. THAYER JR.

Columbus, Ohio

BANDWAGON

Senator McCarthy denied late yesterday that he knew of any move to get rid of Mr. Cohn.

"He comes as close to being the indispensable man as I am," he said. – *Pittsburgh Press, March 11, 1954.*

"When, in the course of human events, it becomes necessary for one people to dissolve the political bands."

The Atherton Aerial, the school paper, asked 25 students the source of the quotation. . . .

Only six bright students identified it correctly as the opening statement of the Declaration of Independence. – *Louisville Times, March 11, 1954.*

Ralph Hillsman, coach of the City College of San Francisco is looking forward to next season.

"The only players we'll lose," Hillsman said yesterday, "are Mike Leaskou and Warren Baxter. It looks like Leaskou is going to USC and Baxter can go anywhere—his grades are excellent." – *San Francisco Chronicle, March 2, 1954.*

Members of the Metropolitan Police Department have been ordered to hold to "an absolute minimum" the number of parking tickets issued to motorists parked near District churches between the hours of noon and 3 p. m. on Good Friday. – *Washington Post & Times-Herald, March 22, 1954.*

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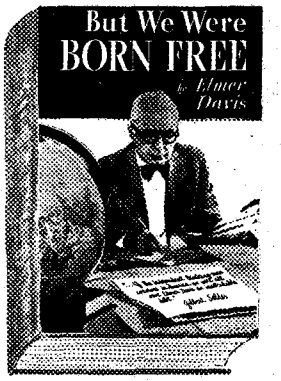

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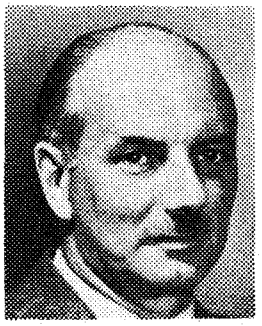

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